

# Beyond Customer Experience: Connecting the Dots

January 15, 2020

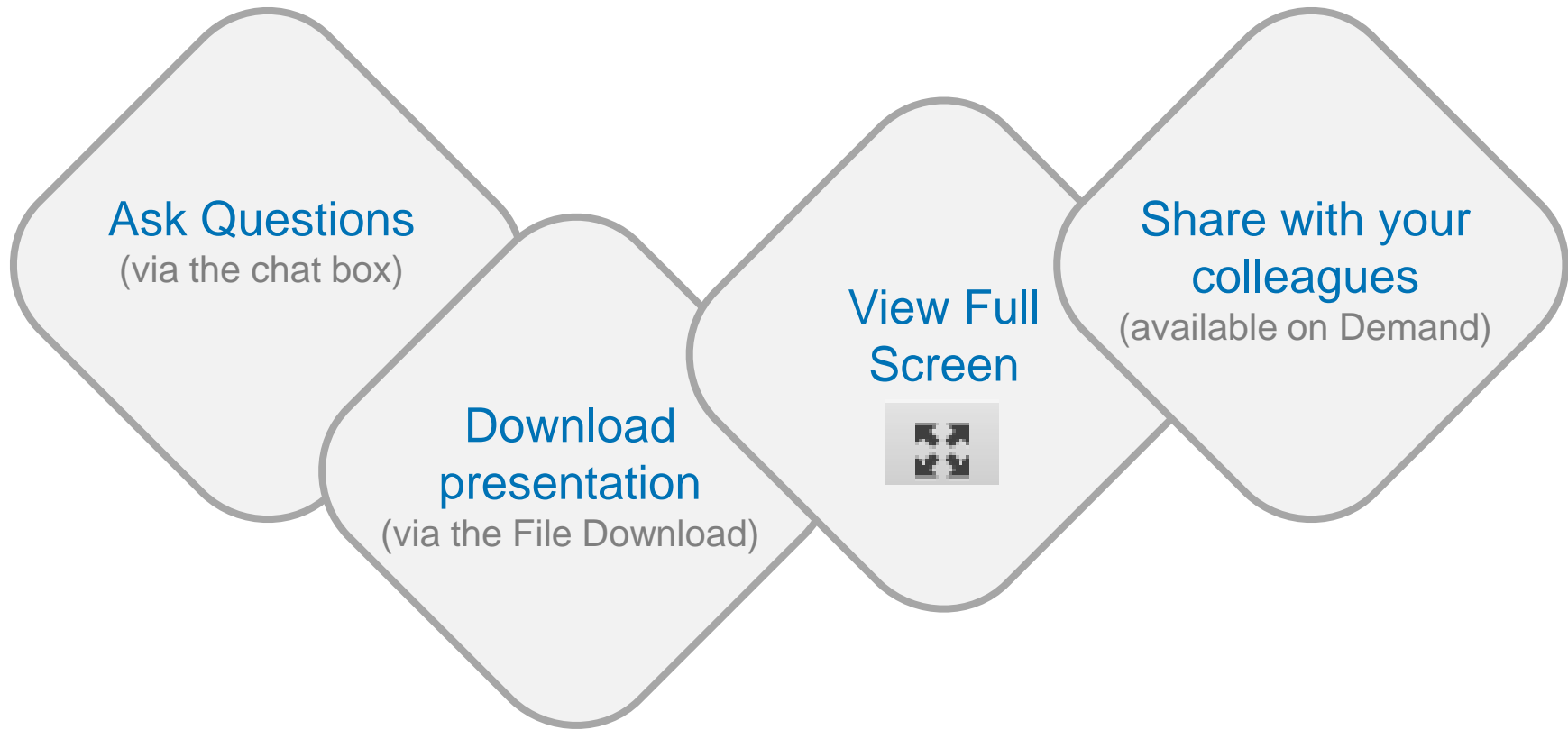


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## Panelists:



### **Koen De Staercke**

Managing Director  
Alvarez & Marsal

Koen De Staercke is a Managing Director at Alvarez & Marsal. He has over 30 years of experience in assisting businesses with driving growth and improving commercial performance (marketing and sales), both in Europa as globally. His current focus is on measuring and managing brand and customer...[Full Bio](#)




### **Demet Tunç** (Moderator)

Council Director, Customer Experience Council  
The Conference Board

Demet Tunç leads the Customer Experience Council at the Conference Board. She also provides consultancy & project management services - from strategy to execution with a hands-on approach - in marketing, customer experience and commercial management. Demet started her career as a brand...[Full Bio](#)





# Beyond Customer Experience : Brand Experience Conference Board Webcast

January 15<sup>th</sup>, 2020



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## Customer Experience - Observations

*Improving Customer Experience (CX) is an important way to drive growth but there are a number of challenges :*

- Understanding the (causal) relationship between CX and **business results** is not easy
- Selecting and managing with a **myriad of metrics** is complex (NPS, CSAT, Churn, CLTV, CES, Employee Experience, Retention, Loyalty, First-call resolution, Repeat orders, Timeliness,...)
- It is **resource intense** as there are typically large data and systems investments involved
- There is a lot of focus on **efficiency** or ROI. **Effectiveness** matters (more)
- **Non-customers** are typically a great source of growth but often less understood
- Customers have a lot of additional interactions with your **brands**

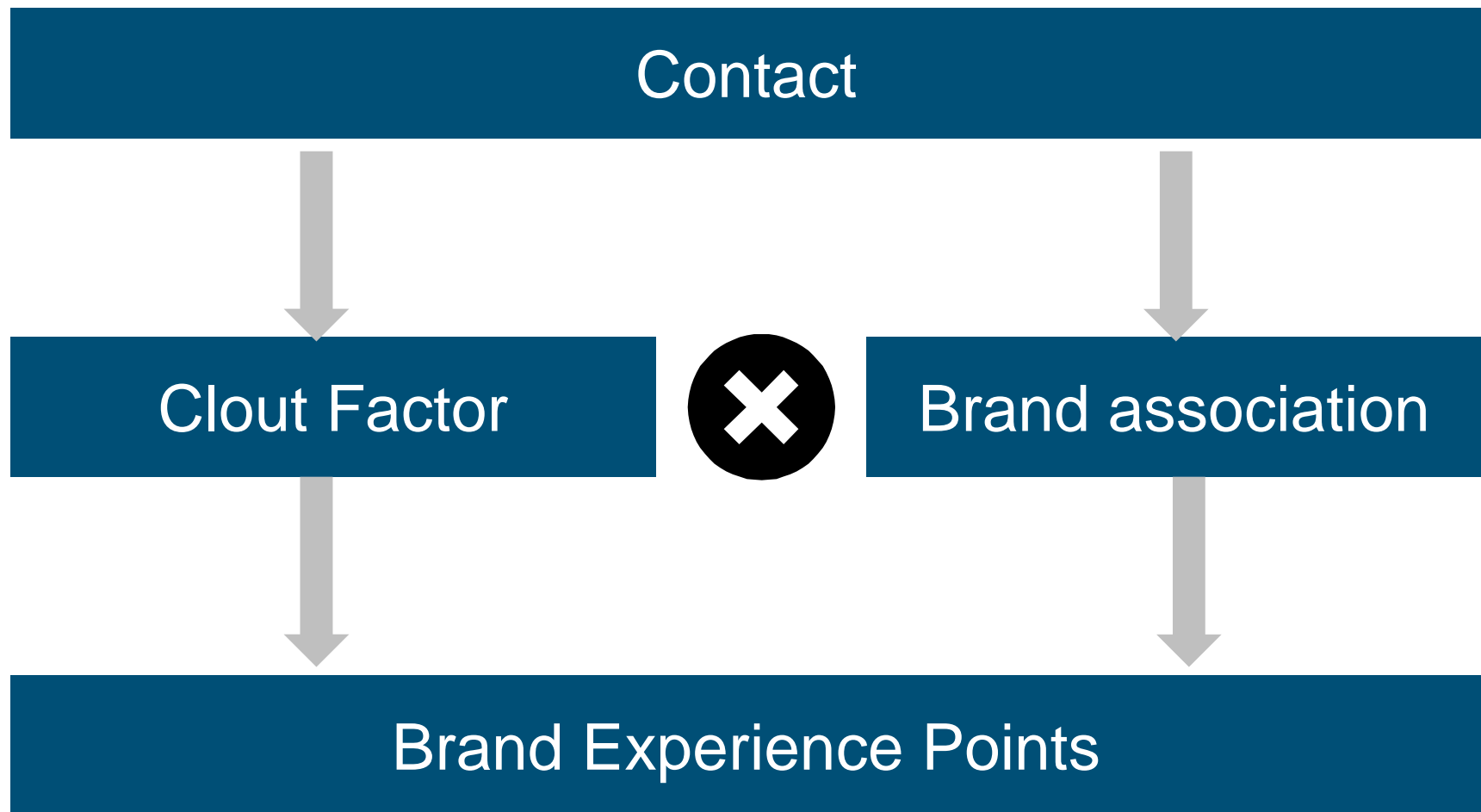
## The single metric or currency : Brand Experience Point (BEP)

*It has the following attributes :*

- BEP provides a 'line of sight' between marketing communication **input** and market **output** and has a **causal** relationship
- BEP puts the (non)customer in the center (**customer-centricity**)
- BEP covers both **effectiveness** as **efficiency**
- BEP captures all contacts, both **digital** as **non-digital**
- BEP Informs about the customer **journey**
- BEP allows you to manage and be **accountable**

## The single currency : Brand Experience Point (BEP)

*The Market Audit Contact (MCA)-research is used to determine the Clout factors and the Brand associations*





## How does it work?

*Up to 36 contacts and 16 brands per category and market can be researched*

Contacts	CCF	Assoc. Brand A	Assoc. Brand B	BEPs Brand A	BEPs Brand B	Total
TV Ad	90	30%	10%	2,700	900	3,600
At Dealer's Catalogue	80	20%	5%	1,600	400	2,000
Recommendation from colleague	70	10%	20%	700	1400	2,100
Phone contact with call center	50	20%	30%	1,000	1500	2,500
<b>BEP (Brand Experience Points)</b>				<b>6,000</b>	<b>4,200</b>	<b>10,200</b>
<b>BES (Brand Experience Share)</b>				<b>59%</b>	<b>41%</b>	<b>100%</b>

## Some facts about this methodology (\*)

*A Voice of the Customers' approach, relying on a quantitative survey of a representative sample of buyers or consumers of the audited category.*

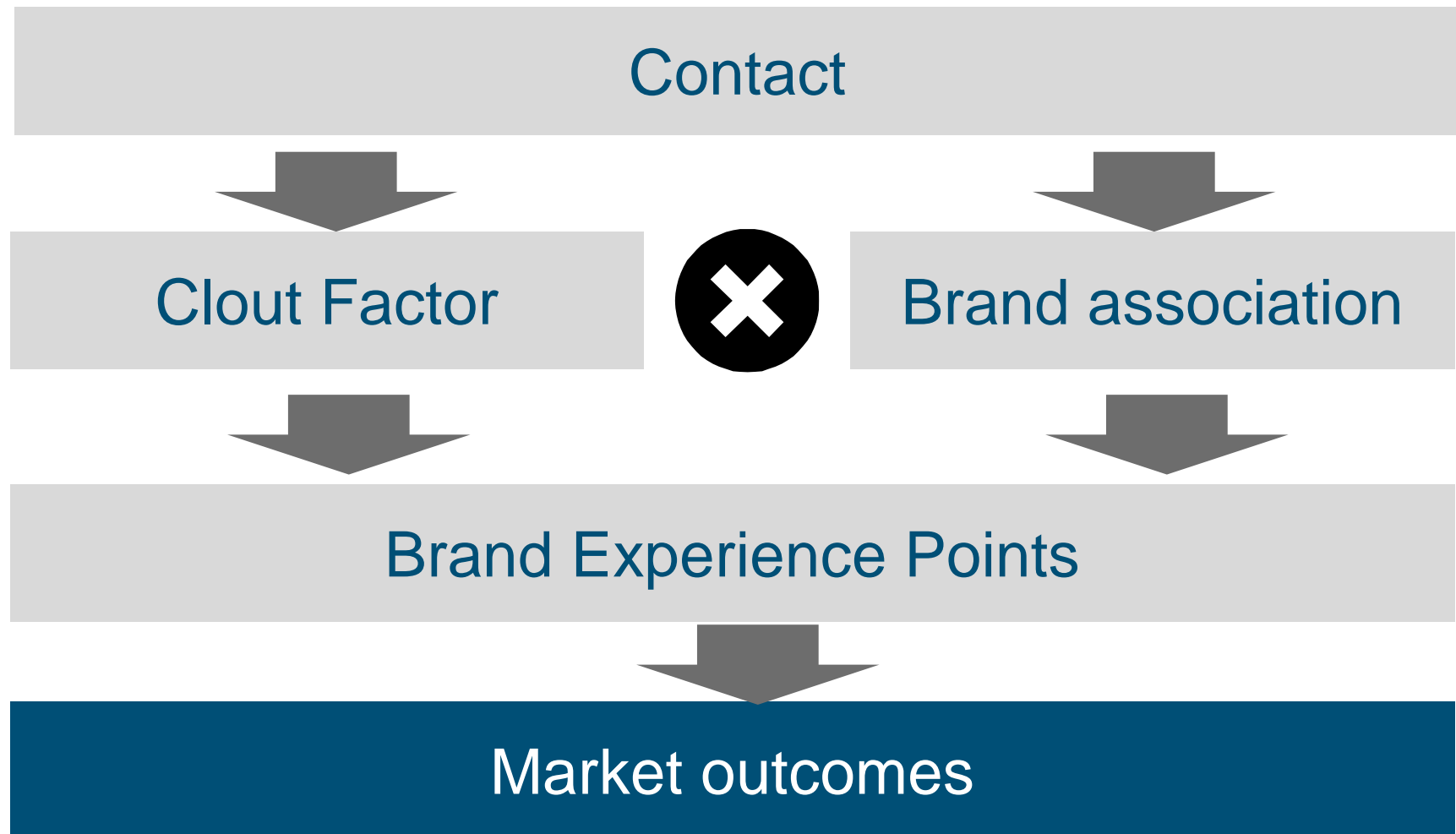
- 2.500.000+ consumers surveyed
- 35,000+ audited brands
- 500+ categories (BTC & BTB industries)
- 170+ companies
- 90+ markets
- 40 languages

**Line of Sight : Causal correlation between  $\Delta$  BES &  $\Delta$  MS in value = 0.85-0.90**

\* Data courtesy of Integration (Marketing & Communications) Limited – owners of the MCA System

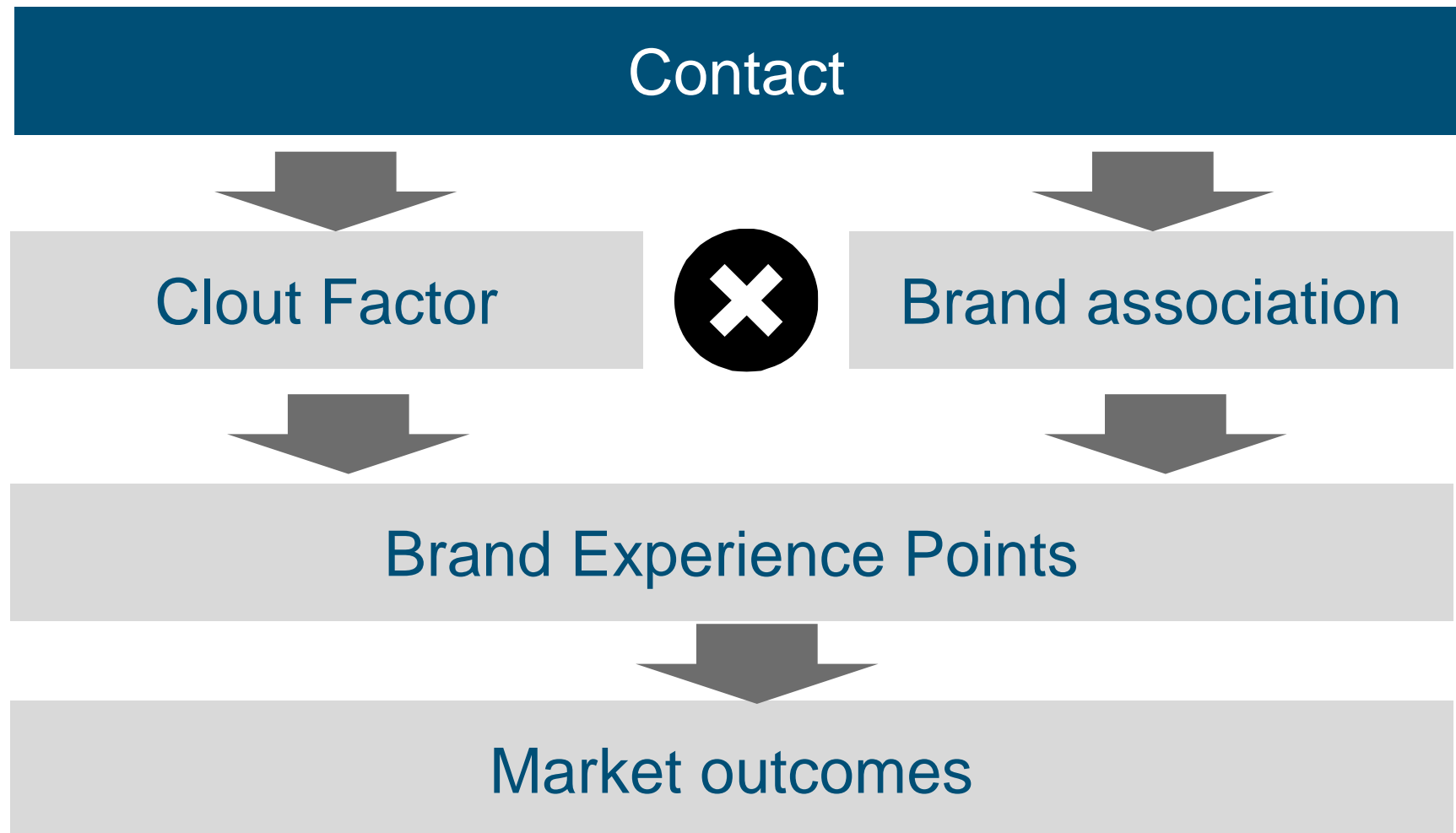
# The overall framework

*Investments in contacts generate BEPs that drive market outcomes*



It all starts with communication through contacts

*Investments in contacts generate BEPs that drive market outcomes*

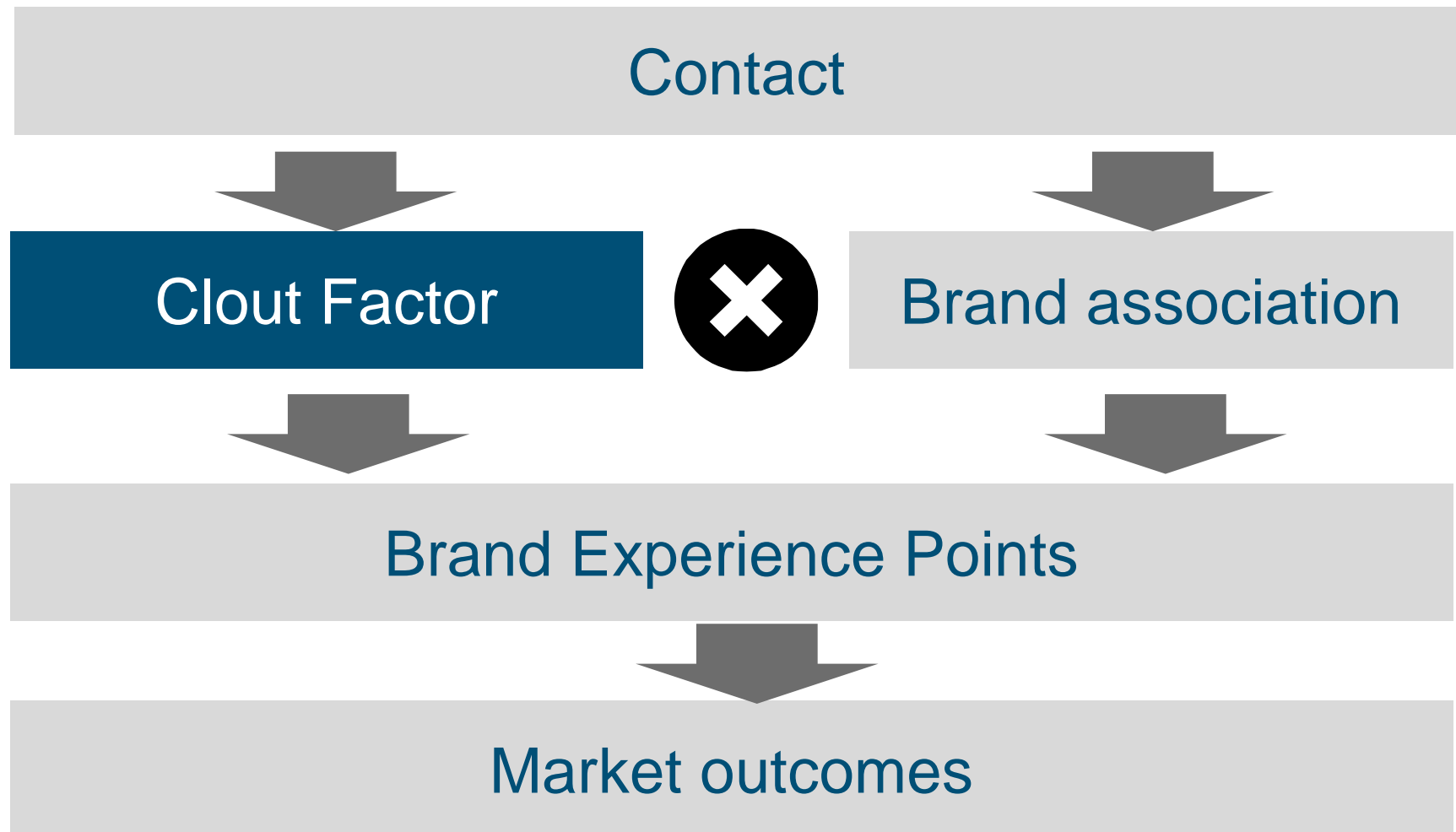


## An actual example of contacts from the financial sector....

<b>Digital (9)</b>	<b>Mass Media (7)</b>	<b>POS (7)</b>
<ol style="list-style-type: none"> <li>1) Official website of the bank</li> <li>2) Information obtained using internet banking</li> <li>3) Information obtained using mobile banking</li> <li>4) Bank apps for mobile phones, tablets</li> <li>5) Search results on banks through search engines (e.g. Google, Ask, etc.)</li> <li>6) Interaction with the bank on Social Networks</li> <li>7) Sponsored links on Internet search engines</li> <li>8) Email, SMS advertising</li> <li>9) Web ads (banners, pop-ups, videos, etc.)</li> </ol>	<ol style="list-style-type: none"> <li>1) TV advertising</li> <li>2) Newspaper advertising</li> <li>3) Magazine, journal advertising</li> <li>4) Advertising on outdoor billboards</li> <li>5) Radio advertising</li> <li>6) Bank advertisements on transport (trams, buses, taxis, trains, etc.)</li> <li>7) Cinema advertising</li> </ol>	<ol style="list-style-type: none"> <li>1) Face to face contact with branch staff</li> <li>2) Email/phone contact with branch staff</li> <li>3) Brochures on bank products/services available/provided at the branch</li> <li>4) Flyers on bank products at the branch</li> <li>5) Information shown on ATM screens</li> <li>6) Billboards/posters inside the branch</li> <li>7) Billboards/posters shown in the windows of the branch</li> </ol>
<b>Sponsorship &amp; Events (5)</b>	<b>Indirect (4)</b>	<b>One to One (3)</b>
<ol style="list-style-type: none"> <li>1) Sponsorship/support for volunteer/social responsibility organizations/initiatives</li> <li>2) Event sponsorships (music, art, culture, etc.)</li> <li>3) Sports events/sports clubs sponsorships</li> <li>4) TV sponsorships</li> <li>5) Radio sponsorships</li> </ol>	<ol style="list-style-type: none"> <li>1) Information, opinions and views on the bank provided by friends, family and colleagues</li> <li>2) Blogs and forums where people discuss their experience with banks</li> <li>3) News and articles published in the media (press, radio, TV, Internet, etc.)</li> <li>4) Participation of experts/bank managers on TV/web programs (interviews, debates, etc.)</li> </ol>	<ol style="list-style-type: none"> <li>1) Letters sent from the bank by post (statements, etc.)</li> <li>2) Contact with the Call/Contact Centre of the bank (over the phone, via email)</li> <li>3) Loyalty programs</li> </ol>

Each contact in a category/market has a Contact Clout Factor (CCF)

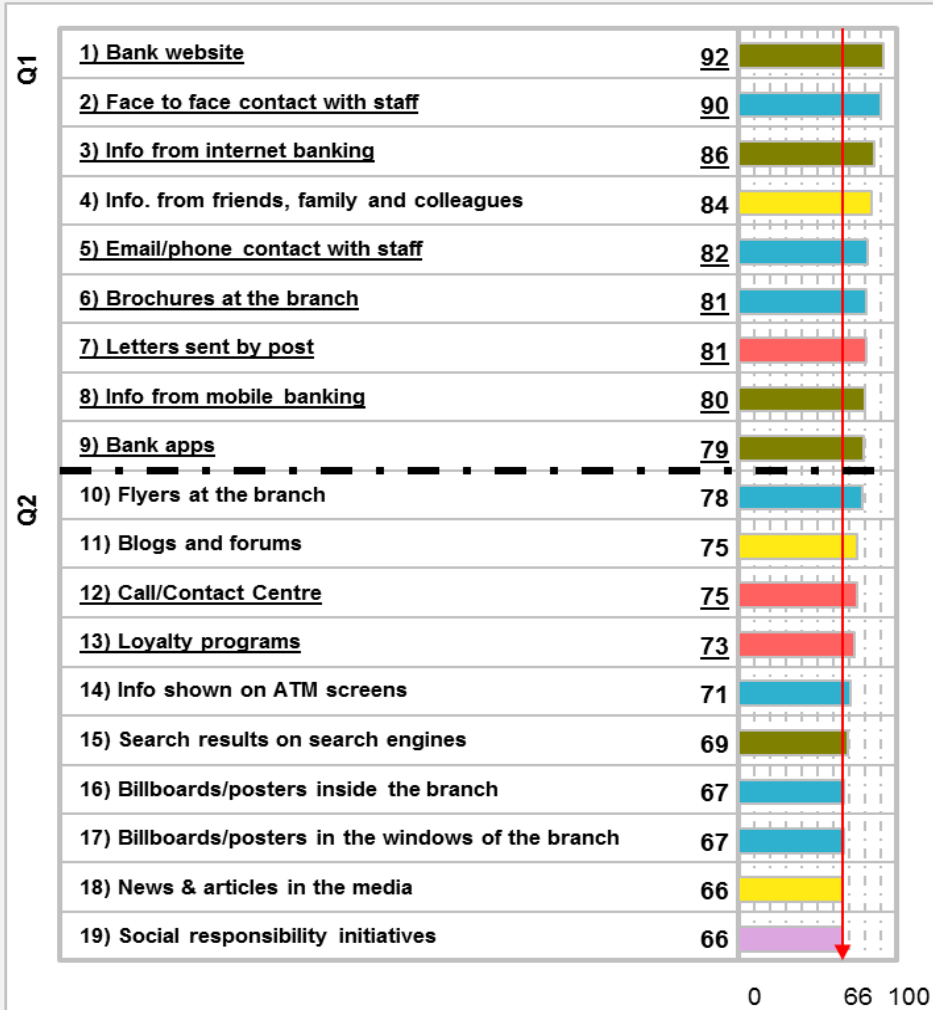
*Investments in contacts generate BEPs that drive market outcomes*



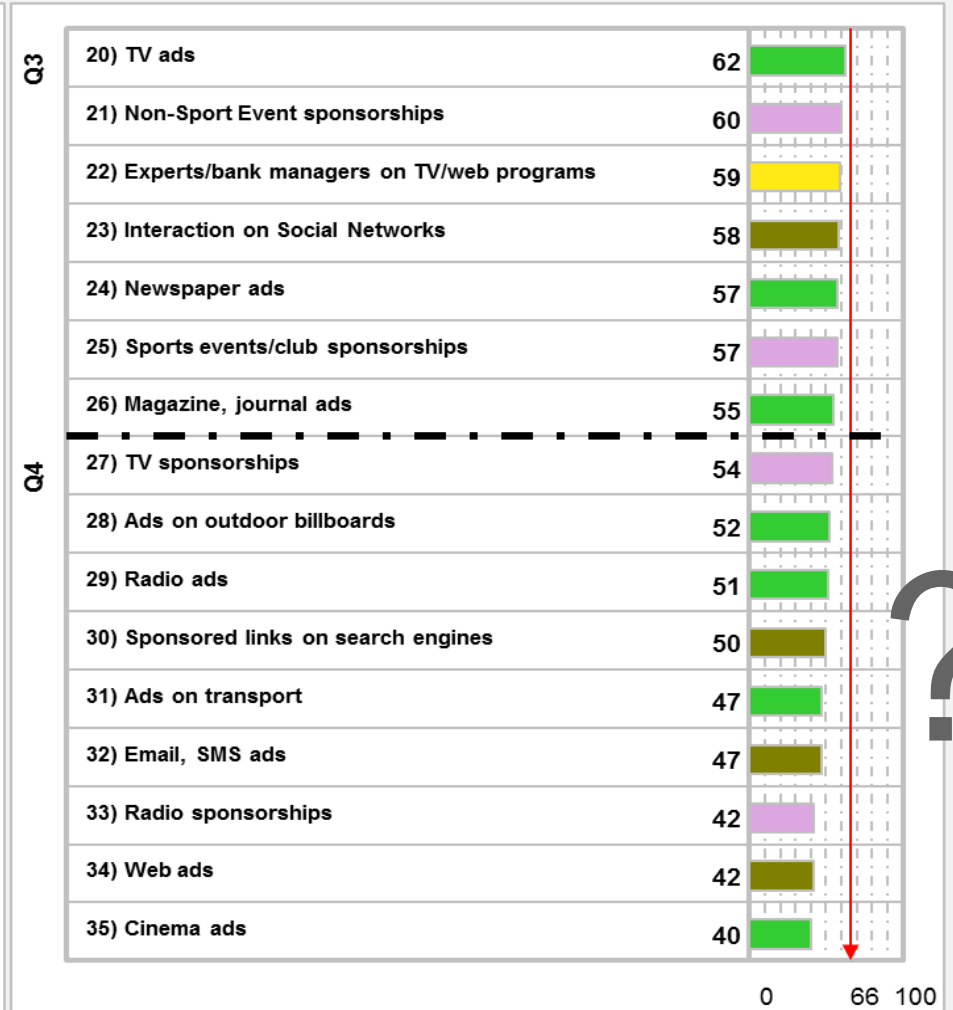
# CCF's are category, market and time-dependent

*A banking example : mass media is not very effective, digital is*

**CCF: Banks • Italy: 19/35 Contacts above average**



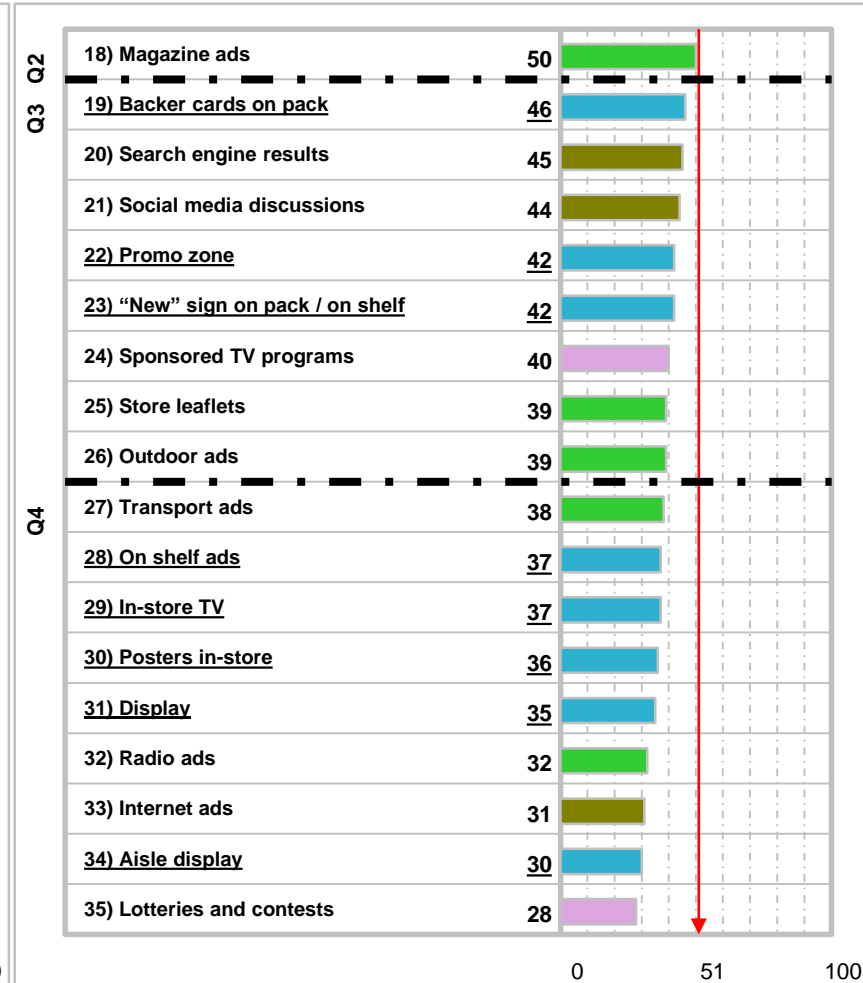
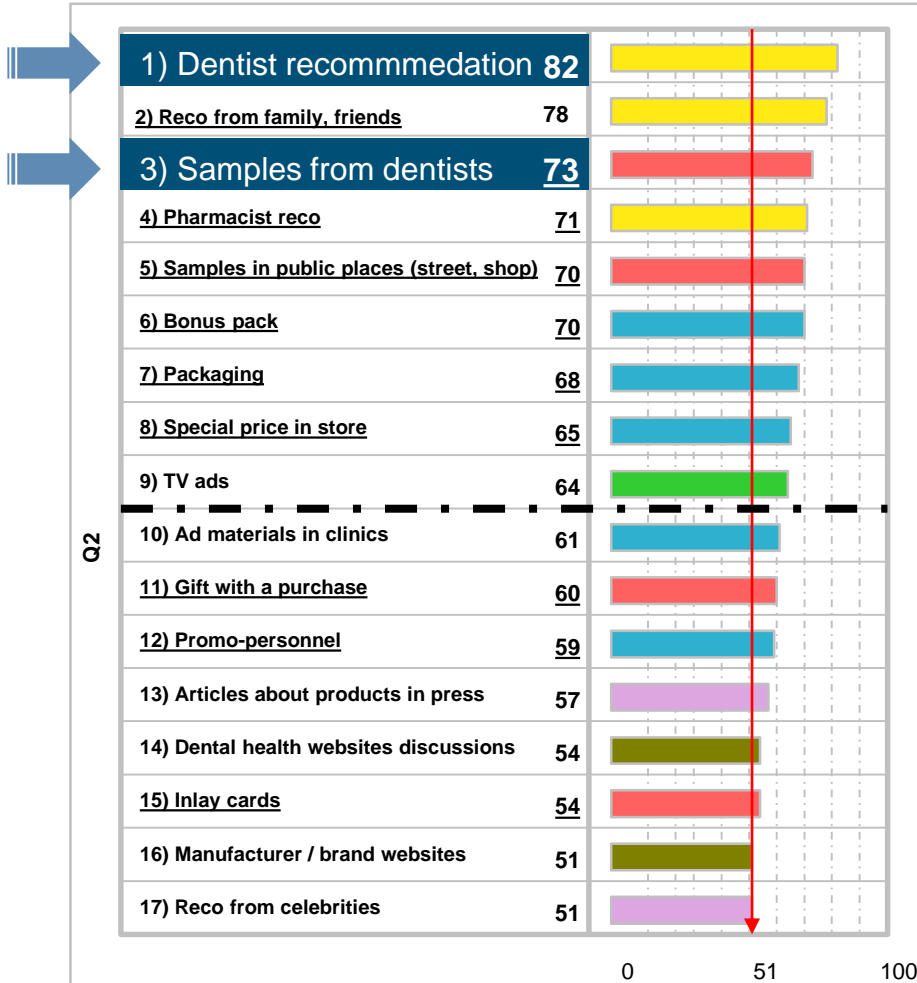
**16/35 Contacts below average**



■ Digital 
 ■ Indirect 
 ■ Mass Media 
 ■ One to One 
 ■ POC/POS 
 ■ Sponsorship & Events

# CCF's are category, market and time-dependent

*In the Oral care category in this market, indirect contacts have a very high impact on brand experience*

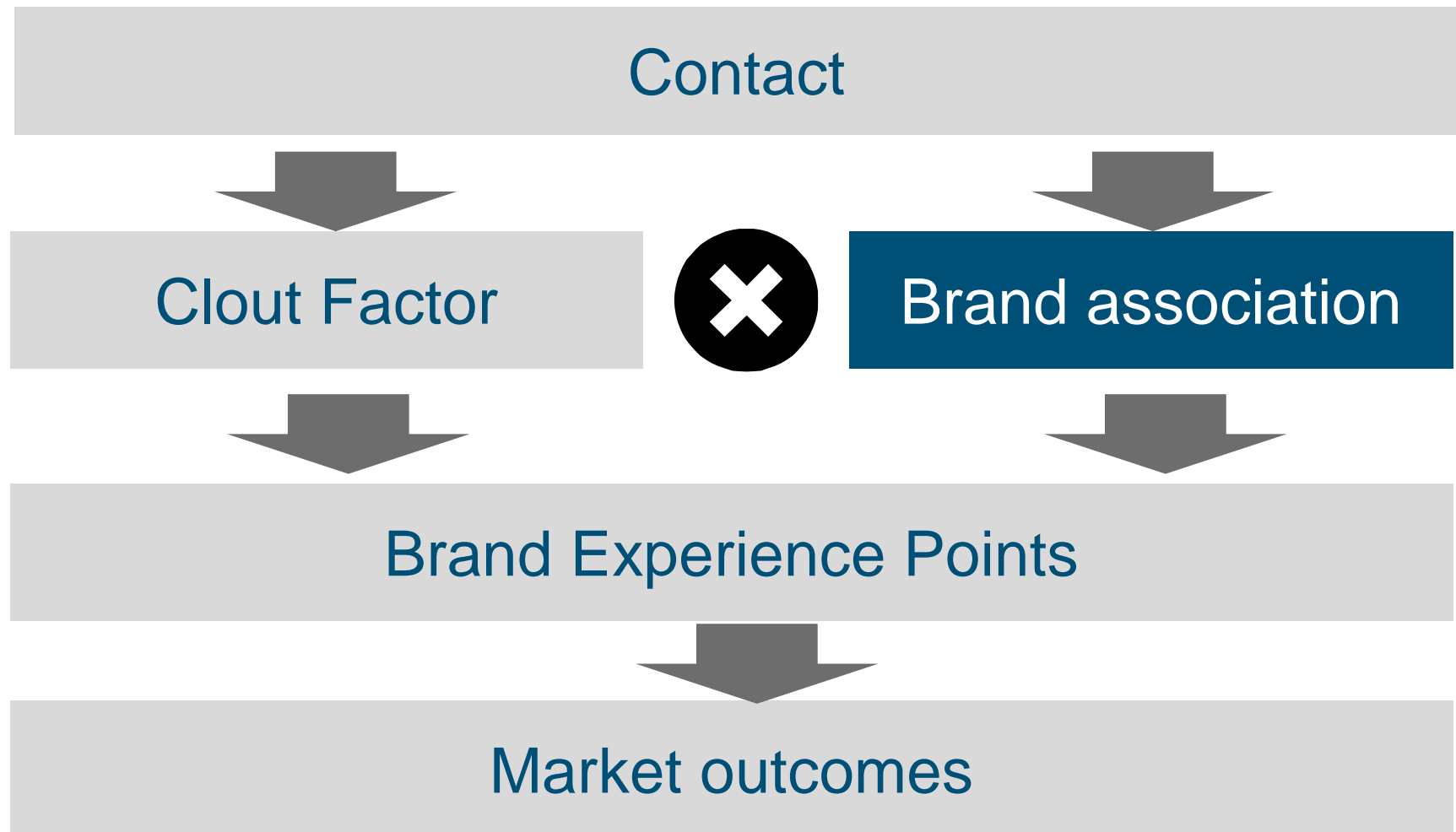


■ Digital 
 ■ Indirect 
 ■ Mass Media 
 ■ One to One 
 ■ POC/POS 
 ■ Sponsorship & Events



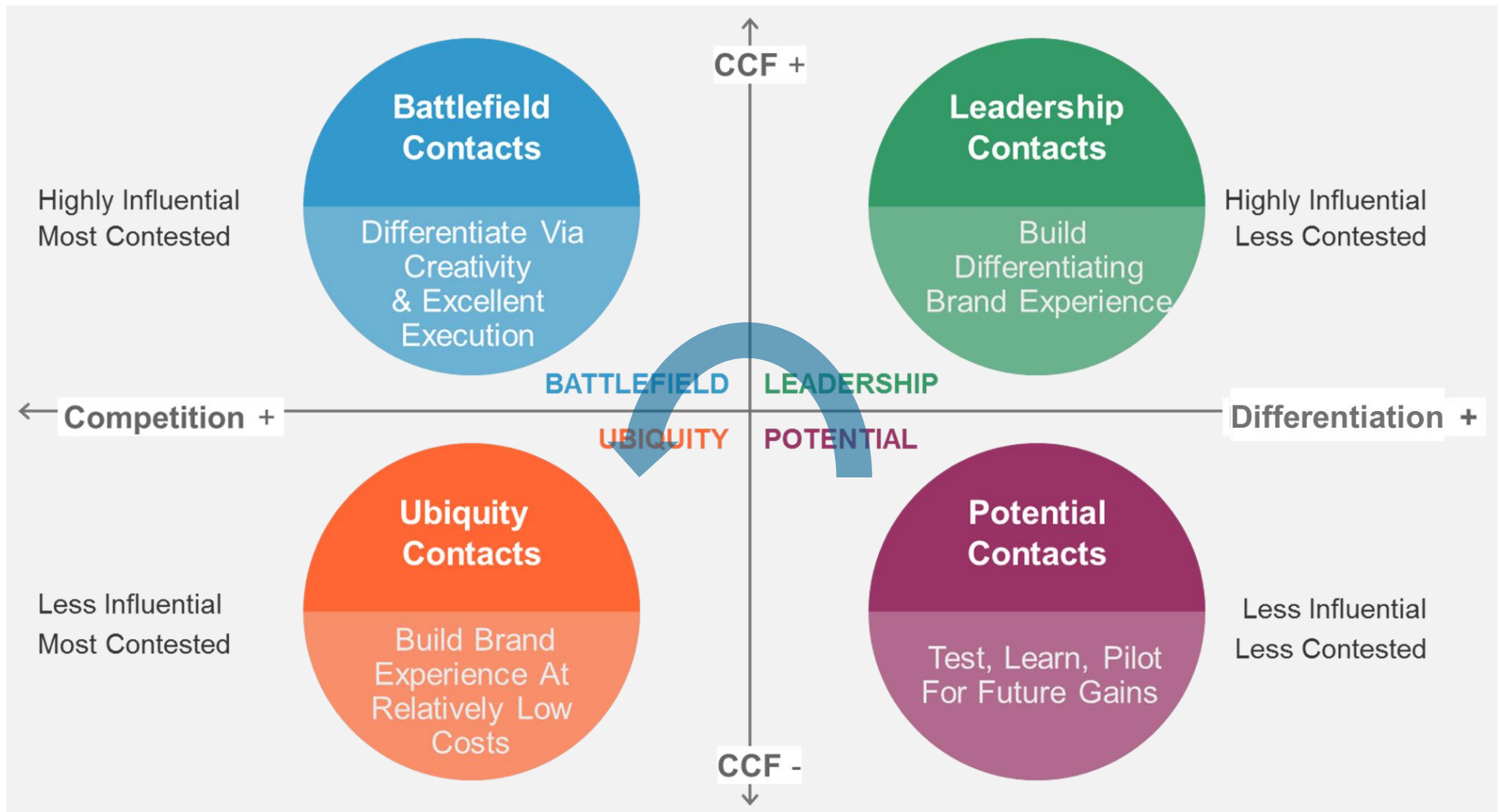
Brands in a category/market have associations with contacts

*Investments in contacts generate BEPs that drive market outcomes*



# Mapping CCF versus intensity of associations

*Adding the competitive landscape provides a better view on the contacts*



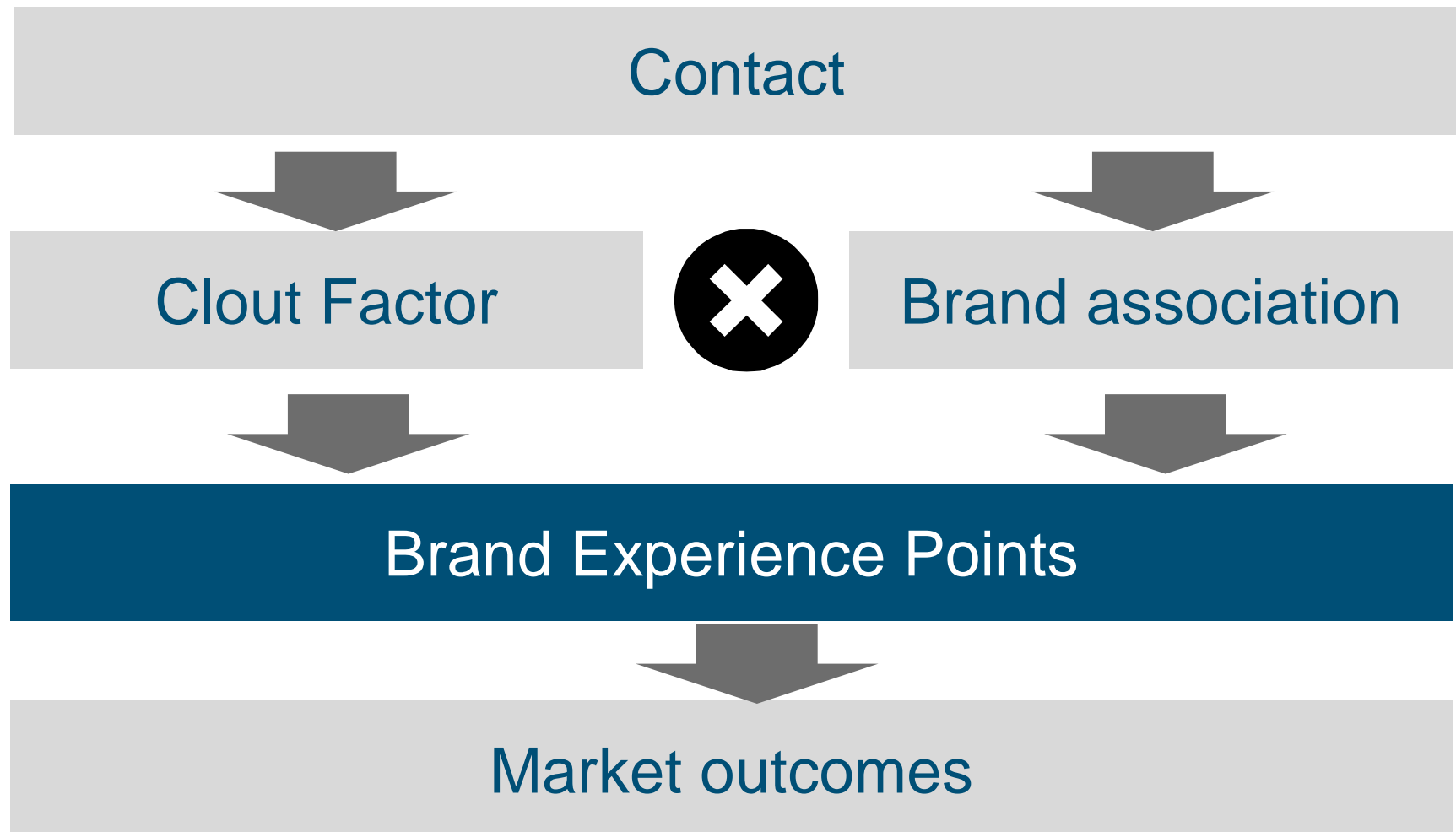
# A actual example : Oral care

... and where the real opportunities are to drive brand / product leadership



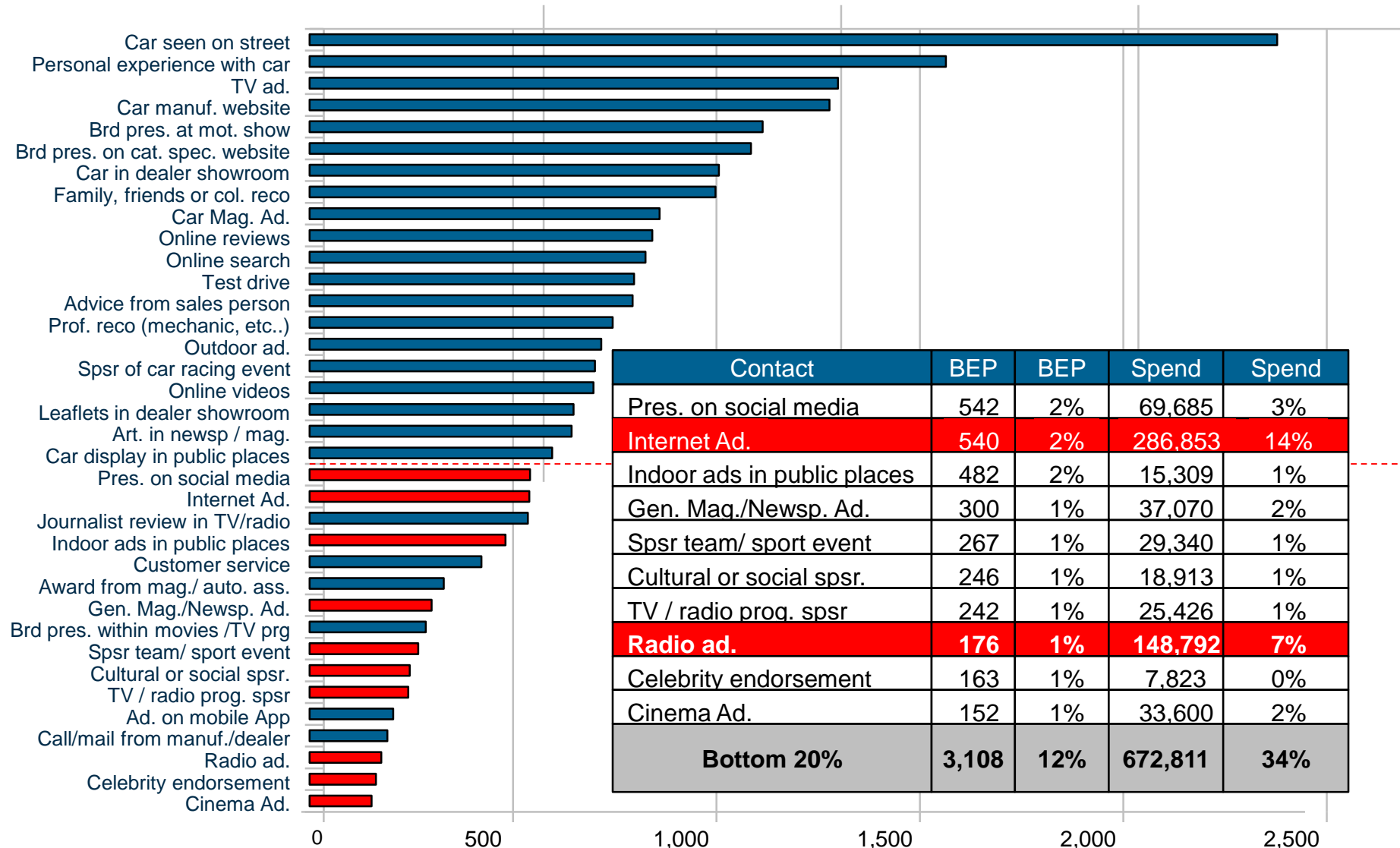
## Bringing it together

*Investments in contacts generate BEPs that drive market outcomes*



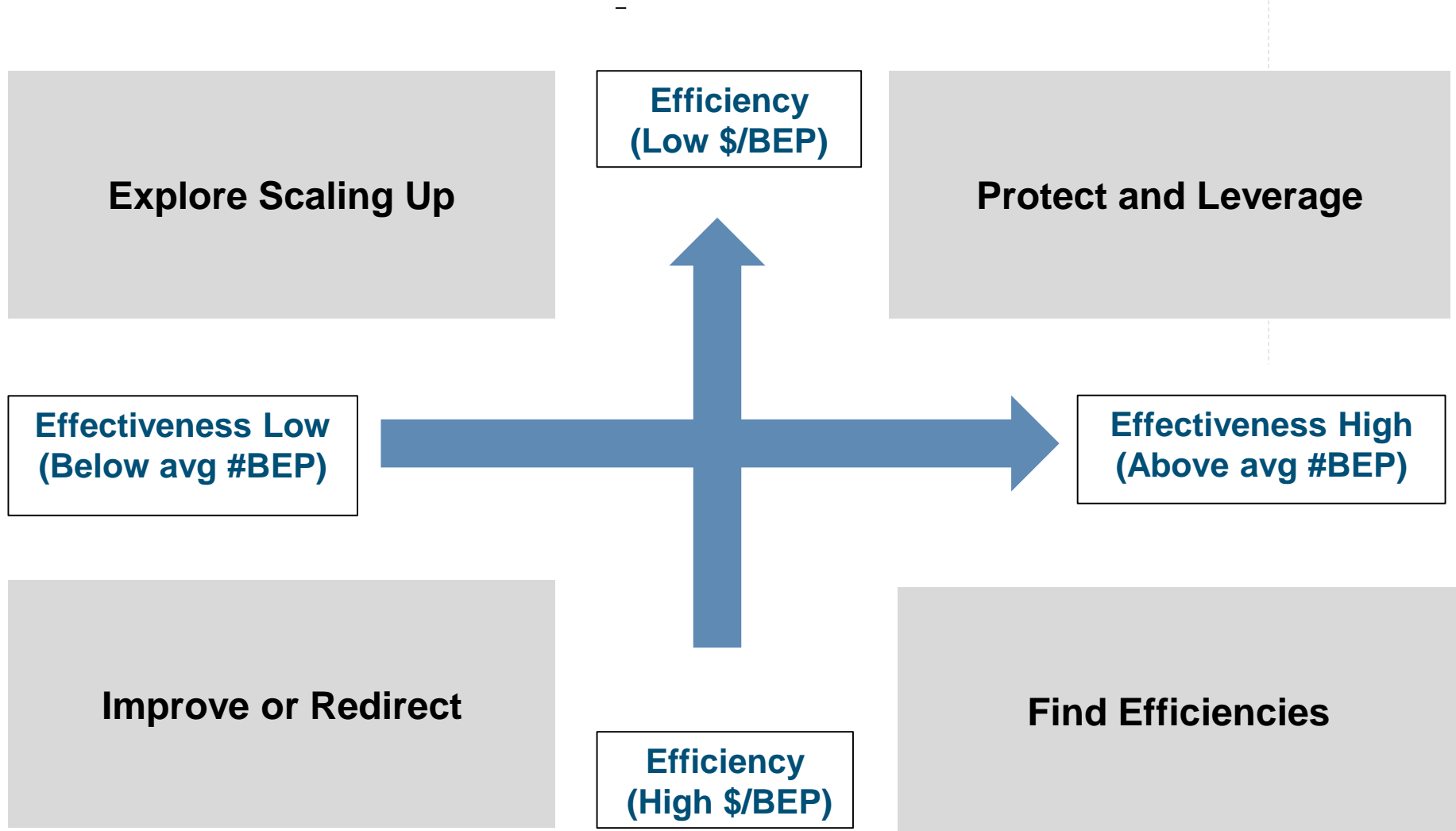
# Total BEPs earned and costs incurred allows to understand cost efficiencies and identify non-working spend

*In this –automotive case, 34% of the budget is going to 10 contacts that are not contributing*



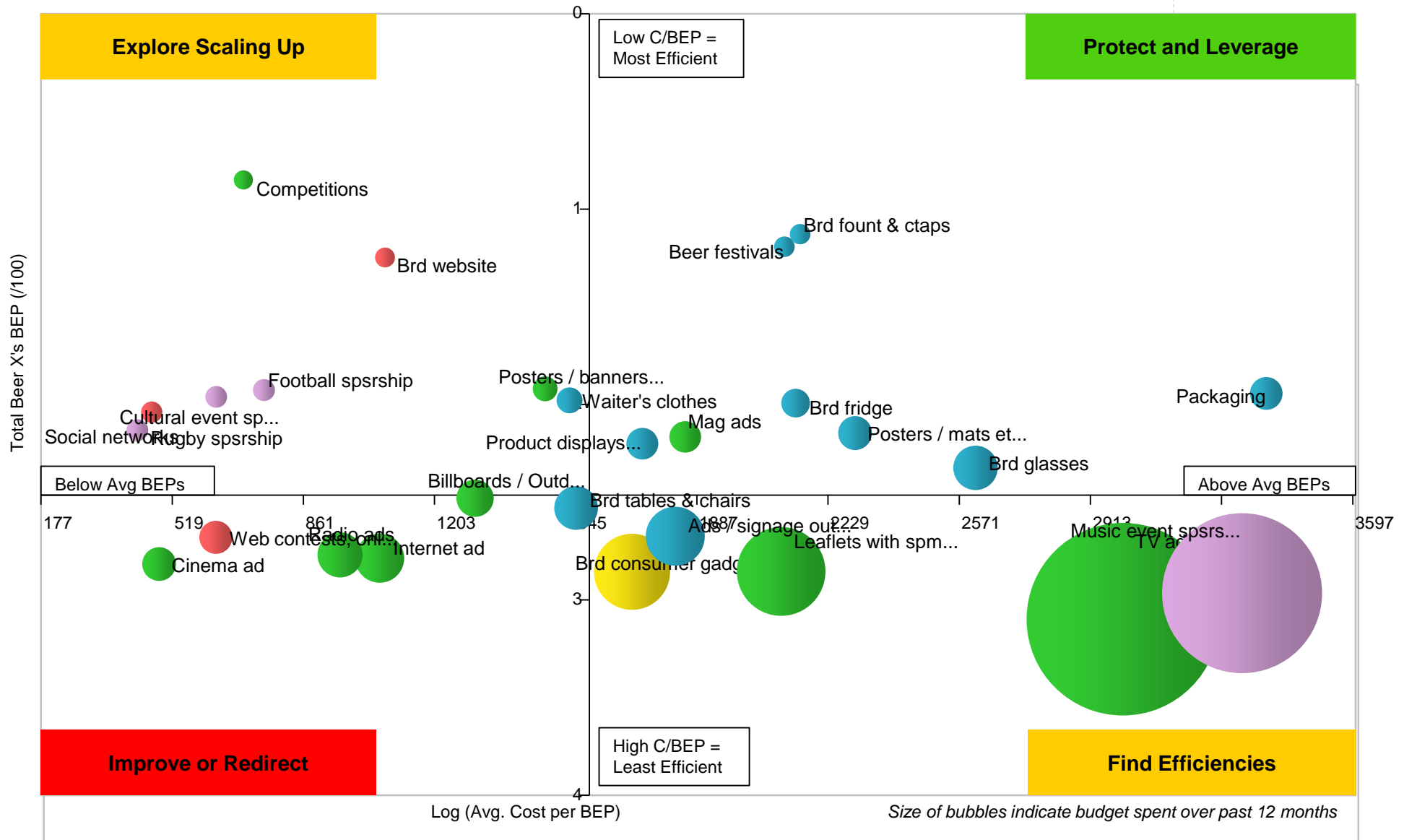
# MCA delivers performance management capabilities of effectiveness and efficiency

*and the related actions*



# MCA delivers performance management capabilities of effectiveness and efficiency

*In this example (beer), some investments need serious attention*



## Comparing between markets – an automotive example

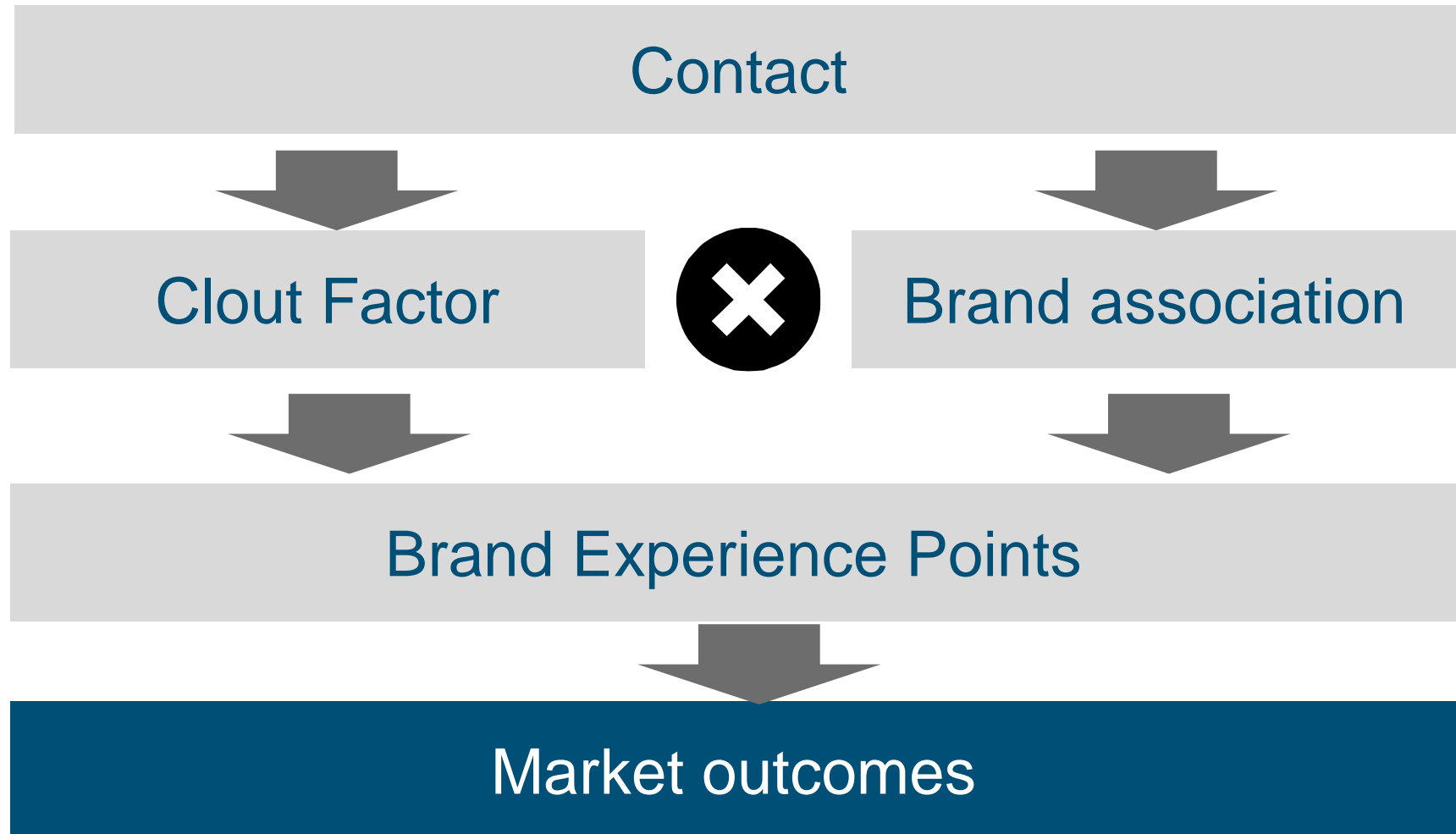
*As BEPs provide a single currency, market performance can be compared*

Market	Brand Experience Share	Total Marcom Spend (U\$)	% of Non Working Funds	Cost (U\$) per 1000 BES
Brazil MCA-Nov 2018	7.2%	81,508,308	6.9%	<b>27,611</b>
Bulgaria MCA-Nov 2018	4.6%	1,179,992	<b>33.8%</b>	6,413
China MCA-Oct 2018	3.7%	109,880,293	9.0%	12,307
India MCA-Nov 2018	5.8%	42,827,889	17.2%	9,899
<b>Average Cost per 1000 BES</b>				<b>14,057</b>



## Bringing it together

*Investments in contacts generate BEPs that drive market outcomes*



## Example : Line of Sight by Consumer segment

*MCA highlights when misalignment exists between communication effectiveness and sales :*

	% Aware	Interaction	BES	Sales conversion	MS
Less than \$30,000	52	101	6.9	25	1.8
45-54@	72	98	8.4	28	2.3
D	76	95	9.2	27	2.5
E	60	95	7.4	34	2.5
\$30,000 to \$59,999	74	93	8.3	35	2.9
16-24	59	86	6.4	34	2.2
C2	65	84	6.8	26	1.8
C1	74	82	7.3	39	2.9
35-44	79	79	7.6	62	4.7
<b>Total</b>	72	76	6.9	51	3.5
<b>Core Target</b>	79	73	6.1	115	7.0
\$60,000 to \$99,999	81	73	6.8	73	5.0
B	79	72	6.8	78	5.3
A	79	70	5.8	91	5.3
25-34	75	67	5.7	83	4.7
\$100,000 or higher	82	64	5.9	81	4.8

## Translating into specific activities

*Key Business Indicators help managers set priorities and lead directly to specific indicators for action*

Communications Effectiveness	Sales Conversion	Results	What to Do ?
High	High	Best Managed	<ul style="list-style-type: none"> <li>• Learn best practices to re-apply</li> <li>• Consider increasing marcom expenditures to increase brand experience</li> <li>• Optimize – eliminate wastage</li> </ul>
High	Low	Under-Converting	<ul style="list-style-type: none"> <li>• Review sales mix</li> <li>• Consider reducing marcom activities / expenditures until transaction ratio is improved</li> </ul>
Low	High	Under-Promoted	<ul style="list-style-type: none"> <li>• Review communication mix</li> <li>• Consider increasing marcom activities / expenditures to grow brand experience</li> <li>• Maintain sales mix</li> </ul>
Low	Low	Niche or Under Performing	<ul style="list-style-type: none"> <li>• Assess position or review All-Mix Marketing</li> <li>• Improve first brand transaction ratio</li> <li>• Increase investments in marcom only when position and sales mix is sustainable</li> </ul>

## Just in case ...Customer Journey

*'Domino effects' allows us to understand which connections consumers are making, and what those connections are worth*



- The total BEPs calculation across all contacts includes 'hidden' multiplier effects
- By isolating the consumers who experienced each contact we can detect if any of the subsequent contacts experienced by that same cohort generate enhanced BEPs as a result of the initial contact, identifying:
  - Generators: Contacts that enhance subsequent consumer journeys
  - Receptors: Contacts with enhanced or more retained experiences as a result of a Generator contact

# Any questions?

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## Contact

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- +32 497 596 212
- via the Conference Board

## Related Peer Networks:

### Customer Experience Council

The Council's mission is to gain insights in customer experience across industries and regions by providing global peer-to-peer benchmarking and best practice-sharing. Council members drive the agenda and evaluate, adapt, and apply the insights gained to their own businesses.

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